

The **University of Massachusetts Medical School** (UMMS) in Worcester is one of five campuses in the University of Massachusetts system. Established in 1962, UMass Medical School's mission is to achieve national distinction in health sciences education, research and public service and, with its clinical partner, UMass Memorial Health Care, national distinction in clinical care.

Commonwealth Medicine, a division within UMass Medical School, is a multi-disciplinary health care endeavor that provides academic, clinical and financial expertise to state agencies to improve the delivery of state and local public assistance health programs.

The **Center for Health Care Financing**, founded in 1996, is one of sixteen units that comprise Commonwealth Medicine. The Center's role in Commonwealth Medicine's coordinated state government effort is twofold:

- **The Center strives to reduce state health-care costs through the identification of other potential payers legally liable for the cost of medical services provided to an individual.**
- **The Center identifies and prepares claims for federally reimbursable program services and administrative health-related expenditures made by state and local governments. As an adjunct to this activity, the Center analyzes health services rate structures and recommends revisions to state rate methodologies.**

Programs offered by the Center are organized under the following content areas:

- **Revenue Enhancement**
- **Benefit Coordination and Program Integrity**
- **School-Based Billing**

In collaboration with Commonwealth Medicine, the Center ensures that governmental agencies providing health-related services have access to:

- **Emerging health policy development and research resources,**
- **Benefit management assistance,**
- **Community outreach services,**
- **Disability evaluation programs,**
- **Information systems and clinical best-practices guidance.**

The Center has not only established itself as a leader in identifying state and municipal health-related expenditures eligible for federal reimbursement, it has worked with agencies to effectively use generated revenue to expand existing programs and develop innovative pilot projects—many of which generate additional funding.

The Center offers a full range of activities needed to successfully initiate and complete a project including the initial identification of direct and indirect costs eligible for federal reimbursement, fostering interagency collaboration, identifying appropriate allocation statistics, negotiating with federal agencies, and claim preparation. The Center develops state and cost allocation plan amendments, prepares retroactive claims, and provides project supports with respect to federal oversight agencies. In addition, once a project generates revenue, the Center will provide ongoing claims preparation support or train agency client staff to ensure proper claim submission. This enables the state or municipality to receive initial influxes of federal revenue, and to establish ongoing revenue streams.

The Center specializes in the following Title XIX and Title XXI federal revenue enhancement activities:

Disproportionate Share: Federal Medicaid funds are available to state agencies making payments to hospitals providing care to uninsured and non-Medicaid patients. The Center identifies funding streams eligible for reimbursement within each state's disproportionate share (DSH) reimbursement cap. The Center has implemented several projects in both Massachusetts and other states.

Administrative Reimbursement: The Center reviews the current administrative claim and the Medicaid agency interrelationships with its public partners to determine any missed opportunities. Additionally, an assessment of public agencies that potentially expend administrative costs on the Medicaid population will be examined. The end product can be additional administrative claims, interagency agreements, and revised cost allocation plans.

Family Planning Reimbursement: The Center developed a methodology for carving out the family planning component of managed care capitation payments, which can then be claimed at the enhanced (90%) FFP rate. In Massachusetts this project has produced over \$20 million in net revenue.

Rate Adjustments for public agencies/facilities: The Center reviews rates and rate methodologies used to claim federal reimbursement for services provided by public agencies. Center staff work to ensure that costs reflect actual service cost and comply with existing rules.

Medicaid Eligibility: The program serves to identify those potentially eligible for Medicaid and receiving publicly funded medical services. Projects include Medicaid disability reviews, institutional assessments, and the retroactive claiming of state-funded expenditures.

Medicaid Waivers: The Center will review existing programs and suggest an appropriate type of waiver. Center staff wrote the application for and secured federal approval of a 1915c Home and Community-based Waiver for Traumatic Brain Injured (TBI) clients. The waiver was created in order to obtain federal reimbursement for services not typically reimbursed under state plans. The Center can assist with writing the waiver application in response to questions from the federal agencies.

Medicaid Program Service Claiming: Similar to administrative claiming, these projects involve claiming of previously state-funded program service expenditures at other state agencies under the Medicaid program. The Center implemented projects that produced \$46 million in new federal revenue; those projects will also generate \$32 million annually.

Benefit Coordination and Program Integrity:

Medicare Appeals projects including **Home Health**, **Pharmacy Coverage**, and **Skilled Nursing Facilities** have SFY04 combined savings projections of \$40 million. The Center is expanding the Medicare Appeals projects nationwide, with contracts in four states.

Additional Medicare initiatives include **Medicare Parts A and B Repricing**, which the Center helped to generate over \$50 million in SFY03 savings, and the **Medicare Dually Eligible** project, which identifies Medicaid recipients eligible for Medicare benefits. Thousands of Medicare eligible individuals were identified and enrolled, resulting in savings of \$105 million achieved through recoveries and cost avoidance.

The **Program Integrity** project marries the power of relational database technology to the review and analysis of paid claims. Applicable claims are "mined" to ferret out overpayments and patterns of provider fraud and abuse. The Medical School, through its division of Family and Community Health, lends its clinical expertise to the project by helping develop algorithms to assist with data review and provides project management control.

School-Based Billing:

The Center provides program management for **Medicaid school-based service and administrative claiming programs**, including compliance/monitoring, program oversight, customer service and training. Additionally, the Center calculates and submits claims on behalf of local school districts. Since the inception of the program, over \$600 million in new revenue has been realized. The Center has implemented school-based programs in both Massachusetts and other states.

Center for Health Care Financing
MA Division of Commonwealth Medicine
**The Mission of the Center for Health Care Financing is
to assist government agencies to
maximize revenues and to increase savings in order
to provide cost-effective health care.**